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FISCAL IMPACT STATEMENT

LS 7254

BILL NUMBER: HB 1500

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: School Readiness Grant.

FIRST AUTHOR: Rep. Turner

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides a School Readiness Reimbursement Grant to a parent of a child who: (1) is born after December 31, 2004; (2) did not attend a kindergarten offered by a public school; (3) has not completed more than 30 school days in grade 1 in any public or nonpublic school; and (4) successfully completes an assessment that indicates the child's readiness to attend grade 1. It makes a continuing appropriation.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The bill provides a \$2,500 grant to any parent whose child is ready to enter 1st grade without attending a kindergarten offered by a public school. For the 2010 school year, about 3,706 more students have attended 1st grade at a public school than attended kindergarten at a public school during the 2009 school year. The impact would depend on the extent that parents would choose to not have their children attend public kindergarten but, instead, attend 1st grade the following year. The cost for the current 3,706 students attending 1st grade and not kindergarten would be about \$9.3 M per year. The grant could encourage more parents to not send their children to public school kindergarten. If that occurred, there could be some potential savings to the state, depending on the school formula enacted by the legislature.

As an example, if no students attended kindergarten in the 2011 school year, then the reduction in state tuition support resulting from the reduction of the 2011 ADM of about 39,000 students would be about \$109 M (kindergarten counts as ½ of an ADM). However, the cost of the \$2,500 grants the following year would have been about \$97.7 M. For the 2010 school year, first grade enrollment was 80,03.

The Department of Education is required to develop an assessment to determine a child's readiness to attend

1st grade. The cost of the assessment could vary depending on the rigor of the test. The ISTEP test for Grades 3 through 10 is projected to cost about \$39 M for FY 2011, or about \$4.9 M per grade. If the assessment has less rigor than the ISTEP test, then the costs could be substantially less.

Explanation of State Revenues:

Explanation of Local Expenditures: Local schools may incur some additional costs in administering the 1st grade assessment and verifying that the student did not attend kindergarten.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources: Department of Education databases.

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